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COR - 0141
Copy 1 of 5

16 September 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Facilities Contract Between AMC and ITEK, Project CORONA

1. A meeting was held at Project Headquarters on 13 September 1958 for the purpose of reviewing a list of equipment presently in the possession of ITEK Corporation. This equipment was furnished over a period of years by the Air Force to Boston University. When the Boston University facility closed down in January 1958 and ITEK was formed, all the equipment reverted to them.

2. ITEK received a contract from the Air Force to perform work under Project 461L. Using this as a basis, they requested AMC to issue a Facilities Contract to them which would pick up accountability for all the above equipment. AMC was in the act of issuing this contract when Project 461L was terminated. AMC had no other course but to stop action on the Facilities Contract since ITEK no longer had an active Air Force contract to use as justification.

3. The list of equipment was then screened by the Air Force and ITEK was given instructions to ship certain of the equipment to the Air Force.

4. In the interim ITEK had received a subcontract from Lockheed Missiles Division for Project CORONA and was utilizing this equipment. Therefore, when the Air Force requested shipment ITEK was in a serious position with regard to performance under the CORONA subcontract.

5. Headquarters USAF, at our request, put a "stop order" on the shipment. ITEK was then asked to carefully review all items requested by the Air Force to determine if they actually required them to perform work under the subcontract.

6. At the meeting ITEK presented a revised list. Of the approximately 100 items requested to be returned to the Air Force, ITEK requested that they be allowed to retain 19. These 19 items were carefully reviewed by

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Project and Air Force personnel and it was agreed that these items should remain at ITEK. The balance of items were to be returned to the Air Force.

7. In addition to the 100 items mentioned above, there was approximately 1000 other pieces of equipment including desks, chairs, tables, test equipment and machine tools for which the Air Force had expressed no immediate requirement and ITEK wished to retain. All of the above items had been on the Schedule of the originally proposed Facilities Contract.

8. In order to retain all of these items at ITEK, it was determined that the most practicable way would be to have the Air Force take action to proceed with the issuance of the originally contemplated Facilities Contract. To accomplish this in a secure manner without revealing Agency interest or the relationship between ITEK and Lockheed Missiles Division, the following approach was to be taken:

a. ITEK was to be provided with a Headquarters AMC Air Force Contract Number to be furnished by [redacted]

b. ITEK was to reaffirm their request for a Facilities Contract to Headquarters AMC, citing the above Contract Number as a contract under which they were performing work for the Air Force and that [redacted] was the buyer.

c. [redacted] was to contact Facilities Branch at Headquarters AMC to follow up on the request and to confirm the existence of this contract between the parties.

d. [redacted] would also act [redacted] for any inquiries coming through normal Air Force channels concerning both contracts.

e. As soon as the Facilities Contract was arranged, Major [redacted] of Headquarters USAF would arrange to send a wire releasing the "stop order" and concurring in the transfer of the equipment to the Facilities Contract.

9. Since the meeting of 13 September, the above actions have been carried out by the parties concerned and AMC is issuing an Air Force Facilities Contract No. AF33(600)-38172 to ITEK. [redacted] has drafted a wire for [redacted] signature to release the "stop order" which is expected to be sent within the next day or so.

[redacted]
Contracting Officer, DPS/DCI

[redacted]
Director of Materiel, BPS/DCI

[redacted]
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